

UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS

| | | |
|---------------------------------|---|----------------------------------|
| UNITED STATES OF AMERICA |) | CRIMINAL NO. 04-10119-MEL |
| |) | |
| v. |) | VIOLATIONS: |
| |) | |
| JAMES R. HART |) | 18 U.S.C. § 1343 |
| |) | WIRE FRAUD |

SUPERCEDING INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

1. During the time period from March 1999 through September 2003, in the District of Massachusetts and elsewhere

JAMES R. HART

defendant herein, engaged in a scheme and artifice to defraud and obtain money and property by means of false pretenses.

2. The scheme is described as follows: HART operated one or more Internet websites purporting to be for a company named Sovereign Brokerage Services which purported to offer high end used automobiles for sale.

3. HART used these websites to arrange fraudulent automobile sales. HART initiated the scheme by contacting legitimate sellers of automobiles over the Internet, and posing as a potential buyer. HART then obtained from the legitimate sellers detailed information about the automobiles, including photographs, copies of the automobile's titles, and the automobiles' VIN numbers (Vehicle Identification Numbers). HART then posted some of this information on websites he operated or in print advertising he purchased claiming that he was the seller or

broker for the sale of these vehicles. HART did so although, in truth and in fact, as HART well knew, he neither owned the vehicles nor did he have permission from the legitimate owners to broker sales of the automobiles.

4. When a person sought to purchase one of the automobiles HART offered for sale, HART used other specific information he gathered from the real sellers to convince the potential buyers that he had the right to sell the vehicles. Once a potential buyer decided to purchase a vehicle from HART, HART instructed the person to wire transfer or otherwise provide payment for the automobile before HART would arrange the shipment of the automobile to the buyer. HART deposited this money into his personal bank accounts or the bank accounts held in the name of Sovereign Brokerage Services or SBS, to which he was the sole signatory.

5. HART did not ship the vehicles to the buyers after he received payment. Instead, he converted the buyers' monies for his own use.

COUNTS ONE THROUGH SIX:(18 U.S.C. § 1343 – Wire Fraud)

The Grand Jury further charges:

6. The allegations contained in paragraphs 1 through 5 are incorporated herein.

7. On or about the date set forth below, in the District of Massachusetts and elsewhere,

JAMES R. HART

defendant herein, having devised and intending to devise a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, as follows:

| <u>COUNT</u> | <u>DATE</u> (on or about) | <u>MATTER WIRED</u> |
|---------------------|--------------------------------------|--|
| One | June 30, 1999 | Wire transfer for \$64,000 from California to Cape Ann Savings Bank in Massachusetts for the benefit of Sovereign Brokerage Service and James R. Hart |
| Two | July 25, 2001 | Wire transfer for \$77,000 from New Jersey to Fleet Bank in Massachusetts for the benefit of Sovereign Brokerage Services |
| Three | October 28, 2002 | Electronic mail message from jhart@shore.net in Massachusetts to a person in Illinois acknowledging the receipt of \$77,000 for the purchase of a 1996 Porsche Twin turbo with 11,800 miles |
| Four | July 23, 2003 | Wire transfer of \$62,350 from Missouri to Sovereign Bank in Massachusetts for the benefit of SBS |
| Five | May 3, 2003 | Wire transfer of \$48,500 from Pennsylvania to Sovereign Bank in Massachusetts for the benefit of SBS |
| Six | October 30, 2003 | Wire transfer of \$39,000 from Rhode Island to Sovereign Bank in Massachusetts for the benefit of Sovereign Brokerage Services and James Hart |

All in violation of Title 18, United States Code, Sections 1343 and 2.

NOTICE OF ADDITIONAL FACTORS

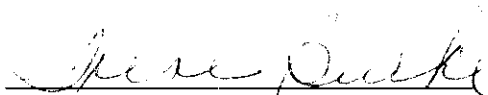
The Grand Jury further finds that:

1. The offenses described in paragraphs one through seven of this Indictment resulted in a loss of greater than \$400,000. Accordingly, U.S.S.G. § 2B1.1(b)(1)(H) applies to this case.

2. The offenses described in paragraphs one through seven of this Indictment involved 10 or more victims. Accordingly, U.S.S.G. § 2B1.1(b)(2)(A)(i) applies to this case.

3. The offenses described in paragraphs one through seven of this Indictment involved sophisticated means. Accordingly, U.S.S.G. § 2B1.1(b)(8)(C) applies to this case.

A TRUE BILL


FOREPERSON OF GRAND JURY


Seth P. Berman
Assistant U.S. Attorney

DISTRICT OF MASSACHUSETTS, Boston, ^{V80}~~April~~ 17, 2004. @ 11:53 AM

Returned into the District Court by the Grand Jurors and filed.


Deputy Clerk

Criminal Case Cover Sheet**U.S. District Court - District of Massachusetts**Place of Offense: _____ Category No. II Investigating Agency SECRET SERVICECity Beverly Related Case Information:County Essex Superseding Ind./ Inf. Yes Case No. 04-cr-10119-MEL
Same Defendant _____ New Defendant _____
Magistrate Judge Case Number 04M-1045-JGD
Search Warrant Case Number 04M-1045-JGD
R 20/R 40 from District of _____**Defendant Information:**Defendant Name JAMES R. HART Juvenile ☐ Yes ☒ No

Alias Name _____

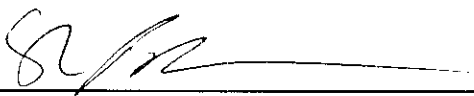
Address 1 Moses Lane, Essex, MABirth date (Year only): 1952 SSN (last 4 #): 3402 Sex M Race: White Nationality: USA

Defense Counsel if known: _____ Address: _____

Bar Number: _____

U.S. Attorney Information:AUSA Seth P. Berman Bar Number if applicable 629332Interpreter: ☐ Yes ☒ No List language and/or dialect: _____Matter to be SEALED: ☐ Yes ☒ No☐ Warrant Requested ☐ Regular Process ☒ In Custody**Location Status:**Arrest Date: January 22, 2004☒ Already in Federal Custody as pretrial detention in Plymouth☐ Already in State Custody _____ ☐ Serving Sentence ☐ Awaiting Trial☐ On Pretrial Release: Ordered by _____ on _____Charging Document: ☐ Complaint ☐ Information ☒ IndictmentTotal # of Counts: ☐ Petty _____ ☐ Misdemeanor _____ ☒ Felony Six

Continue on Page 2 for Entry of U.S.C. Citations

☒ I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.Date: November 17, 2004Signature of AUSA: 

District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant JAMES R. HART

U.S.C. Citations

| | <u>Index Key/Code</u> | <u>Description of Offense Charged</u> | <u>Count Numbers</u> |
|--------|-------------------------|---------------------------------------|------------------------|
| Set 1 | <u>18 U.S.C. § 1343</u> | <u>Wire Fraud</u> | <u>One through Six</u> |
| Set 2 | _____ | _____ | _____ |
| Set 3 | _____ | _____ | _____ |
| Set 4 | _____ | _____ | _____ |
| Set 5 | _____ | _____ | _____ |
| Set 6 | _____ | _____ | _____ |
| Set 7 | _____ | _____ | _____ |
| Set 8 | _____ | _____ | _____ |
| Set 9 | _____ | _____ | _____ |
| Set 10 | _____ | _____ | _____ |
| Set 11 | _____ | _____ | _____ |
| Set 12 | _____ | _____ | _____ |
| Set 13 | _____ | _____ | _____ |
| Set 14 | _____ | _____ | _____ |
| Set 15 | _____ | _____ | _____ |

ADDITIONAL INFORMATION: _____
